CONCORDIA UNIVERSITY

BOARD OF GOVERNORS

CONCORDIA BENEFITS COMMITTEE

Meeting of Wednesday
May 12, 1976

Attendance: Mr. E. Lemieux; Mr. H. Hemens; Mr. A Duff; Prof. Jean C. Turgeon; Prof. A. Dickie; Prof. B. Barbieri; Mr. F. Villemaire; Mr. R. Martin; Prof. G. Martin; Mr. C. Waters; Messrs. R. Laberge and R. Brochu of William M. Mercer Ltd.

Mr. E. Lemieux acted as chairman in the absence of Mr. Tait.

Minutes of April 20th 1976

On a motion by Mr. Duff, seconded by Mr. Hemens and unanimously carried, the minutes of April 20th 1976 were adopted by the Committee.

William M. Mercer's proposal

Each Committee member was provided with a copy of Mercer's proposal which had been prepared as a result of the April meeting.

Life Insurance

Mr. Laberge of Mercers started with a description of the life insurance benefits. These benefits were ostensibly the same as those proposed under Alternative I at the last meeting.

Concern was expressed regarding the fact that certain Sir George participants would find themselves with somewhat less than before. Mr. Laberge replied that those covered in excess of 3 times earnings in the Sir George plan would be protected by a grandfather clause on condition that they opted for the voluntary 2 times earnings insurance.

Some discussion was held on the overall insurance amounts possible with 3 times earnings plus Survivor Income. Mr. Lemieux pointed out that in some cases, the insurance could exceed seven times earnings which he felt was excessive. There was general agreement that it was high and it was suggested that Mercers look at the possibility of applying maximums.

Concern was expressed regarding the retired life benefits. Those in the Sir George Williams plan would see a reduction in the post-retirement benefits. Prof. Dickie remarked that those reaching retirement would be faced with a net reduction in benefits. Prof. Dickie pointed out that some discussion had taken place proposing a subsidy of the joint-life option in the pension plan to offset

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the decrease in retired life-insurance. It was agreed that Mercers would propose a solution to the problem at the next meeting.

Disability Insurance

Mercers proposed that short term sick leave should be three months at full pay irregardless of length of service. This is the current benefit at the Loyola Campus and represents an improvement on the Sir George Campus with the exception of those with three or more years service who are currently eligible for fifteen weeks.

The long term disability was to remain at the 66 2/3 % level but the maximum benefit increased to $2,500 per month from $2,000. Mercers also proposed a C.P.I. indexing to a maximum 3%.

Major Medical

Mercers proposed a $25.00 overall deductible with no change in co-insurance and no limit on the total benefit payable. The contributions would be shared on a 50/50 basis between the University and Staff. This would be an additional expense for those covered by the Loyola program.

Pension

Mr. Brochu presented the proposed pension plan. The plan was one based on alternative II presented at the last meeting. In order to bring the formula up to the 2% level the termination benefits were made less liberal and the Quebec Pension Plan carve-out was somewhat increased in the non-contributory option.

The concensus of the Committee was that the basic programs as presented by Mercers were in accordance with the wishes of the Committee. It was suggested however, that Mercer:

1) propose a solution to the problem of reduced post-retirement benefits for Sir George Benefit Program participants,

2) suggest some method of limiting excessive amounts of insurance,

3) prepare a chart clearly illustrating the changes and showing relative advantages in benefit and cost terms. It was felt that this chart would more lucidly illustrate the differences between old and new.

4) prepare an estimate of the cost of indexing pension benefits to 3%.

Costs

Considerable concern was expressed over the increase in costs brought about by the new program. Part of this increase was due to the inclusion of approximately 400 people who had previously opted out on the Sir George Campus, another increase was produced due to the enrichment of the Loyola formula to 2%.

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There was still quite an increase incurred due to improvements in the insurance program. Mr. Duff cautioned that the government would not be sympathetic to cost increases due to improvements in the program. The Committee should therefore be prepared to cut back on some items should government approval of costs not be forthcoming.

Next Meeting

It was agreed that a meeting be held at 12:00 noon on Thursday May 20th 1976 subject to confirmation. Mr. Duff suggested that any concerns or comments on the proposal be transmitted to Colin Waters or Graham Martin before the next meeting.

The meeting ended at 3:00 p.m.

G. Martin, Secretary

CW/dg